

**Ameren Illinois Gas Rate Zone II - (CILCO)**  
**Statement of Operating Income with Adjustments**  
For the Test Year Ending December 31, 2014  
(In Thousands)

Line No.	Description	Company Unadjusted Supplemental Direct	Company Adjustments (Sch 1, page 4)	Company Direct Present (Cols. b+c)	Company Direct Proposed Increase	Company Direct Proposed w/o Hillsboro (Cols. d+e)	Hillsboro Base & Used & Useful Allowance	Company Direct Proposed w/Hillsboro (Cols. f+g)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Operating Revenues	\$ 187,767	\$ (112,173)	\$ 75,594	\$ 18,201	\$ 93,795	\$ 26	\$ 93,821
2	Other Revenues	6,892	(5,934)	958	-	958	-	958
3	Total Operating Revenue	194,658	(118,106)	76,552	18,201	94,753	26	94,779
4	Uncollectible Expense	3,119	(2,410)	709	169	878	-	878
5	Cost of Gas	-	-	-	-	-	-	-
6	Production Expenses	101,521	(100,821)	700	-	700	-	700
7	Storage, Term., and Proc. Expenses	3,497	-	3,497	-	3,497	-	3,497
8	Transmission Expenses	1,014	-	1,014	-	1,014	-	1,014
9	Distribution Expenses	18,857	1,510	20,367	-	20,367	-	20,367
10	Cust. Accounts, Service & Sales	11,824	(4,138)	7,685	-	7,685	-	7,685
11	Administrative and General Expenses	15,328	(843)	14,485	-	14,485	-	14,485
12	Depreciaton and Amortization	13,205	(1,753)	11,452	-	11,452	-	11,452
13	Taxes Other Than Income	14,271	(9,949)	4,321	-	4,321	-	4,321
14	Rounding	-	-	-	-	-	-	-
15	Total Operating Expense							
16	Before Income Taxes	182,635	(118,405)	64,230	169	64,399	-	64,399
17	State Income Tax	426	28	454	1,713	2,167	2	2,169
18	Federal Income Tax	1,419	95	1,513	5,712	7,225	8	7,233
19	Deferred Taxes and ITCs Net	(79)	-	(79)	-	(79)	-	(79)
20	Total Operating Expenses	184,400	(118,282)	66,118	7,594	73,712	10	73,723
21	NET OPERATING INCOME	\$ 10,258	\$ 176	\$ 10,434	\$ 10,607	\$ 21,041	\$ 15	\$ 21,057
22	Company Rate Base (Schedule 2, page 1, col d, line 21).					\$ 247,441		
23	Company Overall Rate of Return (Schedule 5, col e, line 8).					8.504%		
24	Non-Used and Useful Investment (Schedule 3, Line 2.)							\$ 489
25	Rate of Return Excluding Common Equity Return (Sch 5, Ln 8 minus Ln 7)							3.115%

## Ameren Illinois Gas Rate Zone II - (CILCO)

## Adjustments to Operating Income

For the Test Year Ending December 31, 2014

(In Thousands)

Line No.	Description	Interest Synchronization Part 285 Schedule C	Eliminate PGA Part 285 Schedule C-2.1	Eliminate Pass-Through Charges Part 285 Schedule C-2.2	Other Revenue Adjustments C-2.3	Rider GER Adjustment Part 285 Schedule C-2.4	Environmental Rider Adjustment Part 285 Schedule C-2.5	Company Use of Fuels Part 285 Schedule C-2.6	Subtotal Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenues	\$ -	\$ (102,496)	\$ (9,949)	\$ 272	\$ -	\$ -	\$ -	\$ (112,173)
2	Other Revenues	-	-	-	373	(4,155)	(2,152)	-	(5,934)
3	Total Operating Revenue	-	(102,496)	(9,949)	646	(4,155)	(2,152)	-	(118,106)
4	Uncollectible Expense	-	-	-	-	-	-	-	-
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	-	(100,821)	-	-	-	-	-	(100,821)
7	Storage, Term., and Proc. Expenses	-	-	-	-	-	-	-	-
8	Transmission Expenses	-	-	-	-	-	-	-	-
9	Distribution Expenses	-	-	-	-	-	-	277	277
10	Cust. Accounts, Service & Sales	-	-	-	-	(4,155)	-	-	(4,155)
11	Administrative and General Expenses	-	-	-	-	-	-	-	-
12	Depreciaton and Amortization	-	-	-	-	-	(2,152)	-	(2,152)
13	Taxes Other Than Income	-	-	(9,949)	-	-	-	-	(9,949)
14		-	-	-	-	-	-	-	-
15	Total Operating Expense								
16	Before Income Taxes	-	(100,821)	(9,949)	-	(4,155)	(2,152)	277	(116,800)
17	State Income Tax	-	(159)	-	61	-	-	(26)	(124)
18	Federal Income Tax	-	(531)	-	204	-	-	(88)	(414)
19		-	-	-	-	-	-	-	-
20	Total Operating Expenses	-	(101,510)	(9,949)	266	(4,155)	(2,152)	163	(117,338)
21	NET OPERATING INCOME	\$ -	\$ (985)	\$ -	\$ 380	\$ -	\$ -	\$ (163)	\$ (768)

## Ameren Illinois Gas Rate Zone II - (CILCO)

## Adjustments to Operating Income

For the Test Year Ending December 31, 2014

(In Thousands)

Line No.	Description	Subtotal Operating Statement Adjustments	Franchise Requirement Part 285 Schedule C-2.7	Interest on Customer Deposits Part 285 Schedule C-2.8	Uncollectible Expense Part 285 Schedule C-2.9	Incentive Compensation Part 285 Schedule C-2.10	Performance Share Unit Pgm Part 285 Schedule C-2.11	Injuries and Damages Part 285 Schedule C-2.12	Subtotal Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenues	\$ (112,173)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (112,173)
2	Other Revenues	(5,934)	-	-	-	-	-	-	(5,934)
3	Total Operating Revenue	(118,106)	-	-	-	-	-	-	(118,106)
4	Uncollectible Expense	-	-	-	(2,410)	-	-	-	(2,410)
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	(100,821)	-	-	-	-	-	-	(100,821)
7	Storage, Term., and Proc. Expenses	-	-	-	-	-	-	-	-
8	Transmission Expenses	-	-	-	-	-	-	-	-
9	Distribution Expenses	277	1,233	-	-	-	-	-	1,510
10	Cust. Accounts, Service & Sales	(4,155)	-	17	-	-	-	-	(4,138)
11	Administrative and General Expense	-	(774)	-	-	(114)	(381)	(30)	(1,299)
12	Depreciaton and Amortization	(2,152)	-	-	-	-	-	-	(2,152)
13	Taxes Other Than Income	(9,949)	-	-	-	-	-	-	(9,949)
14		-	-	-	-	-	-	-	-
15	Total Operating Expense								
16	Before Income Taxes	(116,800)	460	17	(2,410)	(114)	(381)	(30)	(119,259)
17	State Income Tax	(124)	(44)	(2)	229	11	36	3	110
18	Federal Income Tax	(414)	(146)	(5)	763	36	121	9	365
19		-	-	-	-	-	-	-	-
20	Total Operating Expenses	(117,338)	271	10	(1,418)	(67)	(224)	(17)	(118,784)
21	NET OPERATING INCOME	\$ (768)	\$ (271)	\$ (10)	\$ 1,418	\$ 67	\$ 224	\$ 17	\$ 678

## Ameren Illinois Gas Rate Zone II - (CILCO)

Adjustments to Operating Income  
For the Test Year Ending December 31, 2014  
(In Thousands)

Line No.	Description	Subtotal Operating Statement Adjustments	Charitable Contributions Part 285 Schedule C-2.13	Depreciation Part 285 Schedule C-2.14	Regulatory Debits Part 285 Schedule C-2.15	Insurance Ameren Exhibit 15.5	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenues	\$ (112,173)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (112,173)
2	Other Revenues	(5,934)	-	-	-	-	-	-	(5,934)
3	Total Operating Revenue	(118,106)	-	-	-	-	-	-	(118,106)
4	Uncollectible Expense	(2,410)	-	-	-	-	-	-	(2,410)
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	(100,821)	-	-	-	-	-	-	(100,821)
7	Storage, Term., and Proc. Expenses	-	-	-	-	-	-	-	-
8	Transmission Expenses	-	-	-	-	-	-	-	-
9	Distribution Expenses	1,510	-	-	-	-	-	-	1,510
10	Cust. Accounts, Service & Sales	(4,138)	-	-	-	-	-	-	(4,138)
11	Administrative and General Expenses	(1,299)	133	-	-	322	-	-	(843)
12	Depreciaton and Amortization	(2,152)	-	(3)	402	-	-	-	(1,753)
13	Taxes Other Than Income	(9,949)	-	-	-	-	-	-	(9,949)
14		-	-	-	-	-	-	-	-
15	Total Operating Expense								
16	Before Income Taxes	(119,259)	133	(3)	402	322	-	-	(118,405)
17	State Income Tax	110	(13)	0	(38)	(31)	-	-	28
18	Federal Income Tax	365	(42)	1	(127)	(102)	-	-	95
19		-	-	-	-	-	-	-	-
20	Total Operating Expenses	(118,784)	78	(2)	237	190	-	-	(118,282)
21	NET OPERATING INCOME	\$ 678	\$ (78)	\$ 2	\$ (237)	\$ (190)	\$ -	\$ -	\$ 176

# Ameren Illinois Gas Rate Zone II - (CILCO)

## Rate Base

For the Test Year Ending December 31, 2014

(In Thousands)

Line No.	Description	Company Unadjusted Rate Base Supplemental Direct	Company Adjustments (Sch 2, page 3)	Company Direct Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Plant in Service	\$ 672,037	\$ (4,904)	\$ 667,133
2	Less Accum. Deprec. and Amort.	(388,347)	(56)	(388,403)
3		-	-	-
4	Net Plant	283,690	(4,960)	278,730
5	Additions to Rate Base			
6	Cash Working Capital Allowance	-	4,552	4,552
7	Materials & Supplies Inventory	35,595	(10,333)	25,262
8		-	-	-
9		-	-	-
10		-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14	Deductions From Rate Base			
15	Accum. Deferred Income Taxes	(51,426)	(3,291)	(54,717)
16	Customer Advances for Construction	(3,021)	-	(3,021)
17	Customer Deposits	(3,265)	(99)	(3,365)
18		-	-	-
19		-	-	-
20		-	-	-
21	Rate Base	\$ 261,573	\$ (14,132)	\$ 247,441

## Ameren Illinois Gas Rate Zone II - (CILCO)

## Adjustments to Rate Base

For the Test Year Ending December 31, 2014

(In Thousands)

Line No.	Description	Hillsboro Used and Useful Adjs Part 285 Schedule B-2.1	Hillsboro Base Gas Part 285 Schedule B-2.2	Plant Additions Part 285 Schedule B-2.3, B-2.4, B-2.5	Incentive Comp Earnings Based Part 285 Schedule B-2.6	PSUP Costs Schedule B-2.7	AFUDC From FER Enforcement Adjustment Schedule B-2.8	Depreciation Reserve Write-Offs Part 285 Schedule B-2.9	Subtotal Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Plant in Service	\$ (489)	\$ (3,785)	\$ (444)	\$ (42)	\$ (139)	\$ (6)	\$ -	\$ (4,904)
2	Less Accum. Deprec. and Amort.	-	-	9	1	2	0	(67)	(56)
3		-	-	-	-	-	-	-	-
4	Additions to Rate Base	(489)	(3,785)	(435)	(41)	(137)	(6)	(67)	(4,960)
5	Additions to Rate Base								
6	Cash Working Capital Allowance	-	-	-	-	-	-	-	-
7	Materials & Supplies Inventory	-	-	-	-	-	-	-	-
8		-	-	-	-	-	-	-	-
9		-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14	Deductions From Rate Base								
15	Accum. Deferred Income Taxes	-	-	6	4	15	-	-	25
16	Customer Advances for Construction	-	-	-	-	-	-	-	-
17	Customer Deposits	-	-	-	-	-	-	-	-
18		-	-	-	-	-	-	-	-
19		-	-	-	-	-	-	-	-
20		-	-	-	-	-	-	-	-
21	Rate Base	\$ (489)	\$ (3,785)	\$ (430)	\$ (37)	\$ (122)	\$ (6)	\$ (67)	\$ (4,935)

## Ameren Illinois Gas Rate Zone II - (CILCO)

## Adjustments to Rate Base

For the Test Year Ending December 31, 2014

(In Thousands)

Line No.	Description	Subtotal Rate Base Adjustments	Cash Working Capital Part 285 Schedule B-8	Bonus Depreciation Adjustment Part 285 Schedule B-2.10	Materials & Supplies Inventory Part 285 Schedule B-2.11	Customer Deposits 13 Month Avg Part 285 Schedule B-2.12	(Source)	(Source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Plant in Service	\$ (4,904)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,904)
2	Less Accum. Deprec. and Amort.	(56)	-	-	-	-	-	-	(56)
3		-	-	-	-	-	-	-	-
4	Additions to Rate Base	(4,960)	-	-	-	-	-	-	(4,960)
5	Additions to Rate Base								
6	Cash Working Capital Allowance	-	4,552	-	-	-	-	-	4,552
7	Materials & Supplies Inventory	-	-	-	(10,333)	-	-	-	(10,333)
8		-	-	-	-	-	-	-	-
9		-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14	Deductions From Rate Base								
15	Accum. Deferred Income Taxes	25	-	(3,317)	-	-	-	-	(3,291)
16	Customer Advances for Construction	-	-	-	-	-	-	-	-
17	Customer Deposits	-	-	-	-	(99)	-	-	(99)
18		-	-	-	-	-	-	-	-
19		-	-	-	-	-	-	-	-
20		-	-	-	-	-	-	-	-
21	Rate Base	\$ (4,935)	\$ 4,552	\$ (3,317)	\$ (10,333)	\$ (99)	\$ -	\$ -	\$ (14,132)

**Ameren Illinois Gas Rate Zone II - (CILCO)**  
**Cash Working Capital Requirement Employing the Gross Lag Methodology**  
For the Test Year Ending December 31, 2014  
(\$000s)

Line No.	Description (A)	Company Direct Proposed (B)	Revenue Lag/Expense (Leads) (C)	CWC Factor (D) (Col E/365)	Cash Working Capital Requirement (E) Col. D x Col. B
<b>REVENUES</b>					
1	Revenues at Present Rates	\$ 94,779	49.74	13.63%	\$ 12,916
2	Plus PGA Revenues	100,821	49.74	13.63%	13,739
3	Plus ICC Gross Revenue Tax	174	-	0.00%	-
4	Plus Municipal Utility Tax	2,874	-	0.00%	-
5	Plus Energy Assistance Charges	2,111	-	0.00%	-
6	Plus Illinois Public Utility Tax	4,697	-	0.00%	-
7	Plus Interest Expense and Bank Facility Fees	7,543	49.74	13.63%	1,028
8	(Less) Uncollectibles	(877)	49.74	13.63%	(120)
9	(Less) Depreciation and Amortization	(11,452)	49.74	13.63%	(1,561)
10	(Less) Return on Equity and Debt	(20,838)	49.74	13.63%	(2,840)
11	<b>TOTAL - REVENUES</b>	<b>\$ 179,832</b>			<b>\$ 23,163</b>
<b>EXPENSES</b>					
12	Employee Benefits	\$ 5,919	(15.97)	-4.38%	(259)
13	Payroll	17,653	(11.39)	-3.12%	(551)
14	PGA Expense	100,821	(39.23)	-10.75%	(10,836)
15	Other Operations and Maintenance (less uncolle	24,176	(48.87)	-13.39%	(3,237)
16	FICA	1,381	(13.13)	-3.60%	(50)
17	Federal Unemployment Tax	25	(76.38)	-20.92%	(5)
18	State Unemployment Tax	89	(76.38)	-20.92%	(19)
19	St. Louis Payroll Expense Tax	1	(83.51)	-22.88%	(0)
20	ICC Gross Revenue Tax	174	65.50	17.95%	31
21	Invested Capital Tax	2,296	(30.13)	-8.25%	(189)
22	Municipal Utility Tax	2,874	(15.00)	-4.11%	(118)
23	Energy Assistance Charges	2,111	(4.00)	-1.10%	(23)
24	Corporation Franchise Tax	140	(161.97)	-44.37%	(62)
25	Illinois Public Utility Tax	4,697	1.00	0.27%	13
26	Property/Real Estate Taxes	529	(375.08)	-102.76%	(544)
27	Interest Expense	7,396	(91.25)	-25.00%	(1,849)
28	Bank Facility Fees	148	156.59	42.90%	63
29	Federal Income Tax	7,233	(37.88)	-10.38%	(751)
30	State Income Tax	2,169	(37.88)	-10.38%	(225)
31	<b>TOTAL EXPENSES</b>	<b>\$ 179,832</b>			<b>\$ (18,611)</b>
32	<b>CASH WORKING CAPITAL REQUIREMENT - DIRECT</b>				<b>\$ 4,552</b>
33	<b>CASH WORKING CAPITAL REQUIREMENT - ADJUSTMENTS</b>				<b>\$ -</b>
34	<b>DIFFERENCE - ADJUSTMENT TO CASH WORKING CAPITAL</b>				<b>\$ 4,552</b>



Ameren Illinois Gas Rate Zone II - (CILCO)  
Interest Synchronization Adjustment  
For the Test Year Ending December 31, 2014  
(In Thousands)

Line No.	Description	Amount
	(a)	(b)
1	Rate Base	\$ 247,441 <sup>(1)</sup>
2	Hillsboro Storage Field Used & Useful Allowance	<u>489</u> <sup>(2)</sup>
3	Rate Base with Hillsboro	\$ 247,930
4	Weighted Cost of Debt	3.04% <sup>(3)</sup>
5	Synchronized Interest Per Company Rebuttal (Line 3 x Line 4)	\$ 7,544
6	Test Year Interest Expense (Line 5 + Line 2 x Line 4)	7,544
7	Increase (Decrease) in Interest Expense (Line 5 - Line 8)	<u>-</u>
8	Increase (Decrease) in State Income Tax Expense	
9	at 9.500%	<u>-</u>
10	Increase (Decrease) in Federal Income Tax Expense	
11	at 35.000%	<u>\$ -</u>

(1) Source: Company Exhibit 2.2, Schedule 2, Page 1, col D, ln 21.

(2) Source: Ameren Part 285 Gas Schedule B-2.1 RZ-II, col C, ln 1.

(3) Source: Company Exhibit 2.2, Schedule 5, col E, ln 2, 3 & 4.

Ameren Illinois Gas Rate Zone II - (CILCO)  
Gross Revenue Conversion Factor  
For the Test Year Ending December 31, 2014

Line No.	Description	Rate (Part 285 A-2.1)	Per Company With Bad Debts	Per Company Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.00000	
2	Uncollectibles	0.9258%	<u>0.00926</u>	
3	State Taxable Income		0.99074	1.00000
4	State Income Tax	9.50%	<u>0.09412</u>	<u>0.09500</u>
5	Federal Taxable Income		0.89662	0.90500
6	Federal Income Tax	35.00%	<u>0.31382</u>	<u>0.31675</u>
7	Operating Income		<u>0.58280</u>	<u>0.58825</u>
8	Gross Revenue Conversion Factor Per Company		<u>1.71584</u>	<u>1.69996</u>

Line No.	Description	Amount	Percent of Total	Percent of Cost	Weighted Component	Effective Tax Rates	After-Tax Cost of Capital
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1							
2	Long Term Debt	\$ 1,960,206	46.501%	6.406%	2.979%	41.1750%	1.7524%
3	Short Term Debt	10,030	0.238%	1.875%	0.004%	41.1750%	0.0024%
4	Bank Facility Costs		0.000%	0.000%	0.060%	41.1750%	0.0351%
5			0.000%	0.000%	0.000%		0.0000%
6	Preferred Stock	60,719	1.440%	4.979%	0.072%		0.0720%
7	Common Stock	2,184,499	51.821%	10.400%	5.389%		5.3890%
8	Total	<u>\$ 4,215,454</u>	<u>100.000%</u>		<u>8.504%</u>		<u>7.2509%</u>
9							
10							
11	<u>EFFECTIVE TAX RATE</u>						
12	State Income Tax Rate	9.5000%					
13	Federal Income Tax Rate	35.0000%					
14							
15	[State Rate + ((1- State Rate) x Federal Rate)]	<u>41.1750%</u>					
16	Source for company capital structure per testimony of Ryan Martin.						